(f) if not, the reasons for the delay and the agency accountable for this escalation in revival cost?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. A.K. PATEL): (a) to (f) Hindustan Fertilizer Corporation Ltd. (HFC) and Fertilizer Corporation of India Ltd. (FCI) were referred to the Board for Industrial and Financial Reconstruction (BIFR) in April 1992.

In April, 1995 Government approved, in principle, the revival of Barauni, Durgapur and Namrup units of HFC; and Sindri, Ramagundam and Talcher units of FCI at an estimated fresh investment of Rs. 2201.13 crore (Rs. 464.93 crore for HFC and Rs. 1736.20 crore for FCI). However, these revival schemes could not be implemented for want of funding arrangements. The revival packages were then reformulated from the stand point of financial institutions after a fresh technical appraisal by an independent consultant.

In the hearing of the cases of HFC and FCI on 22.10.97, the BIFR directed the Operating Agency viz., Industrial Credit and Investment Corporation of India Ltd., to submit a comprehensive status report including a draft rehabilitation scheme within one month's time.

The Govenment has approved the revamp of the Namrup units of HFC on 1.10.97 at an estimated fresh investment of Rs. 350 crore. The company has taken necessary steps for implementation of the revamp project. The proposals in respect of the remaining units of HFC and FCI will be finalised on considerations of unitwise viability and tie up of the funding arrangements. Thereafter, Government will submit the rehabilitation schemes for HFC and FCI to the BIFR.

Pricing of vital drugs

3368. SHRI PARAG CHALIHA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that many vital drugs have escaped the price mechanism in the absence of any regulatory authority;

(b) whether it is also a fact that apart from antimalarial and anti-harmonal drugs prices going very high, the prices of even common drugs have soared high as a result thereof; and

(c) the steps taken for setting up Pricing Authority?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. A K. PATEL): (a) to (c) No, Sir. National Pharamaceutical Pricing Authority (NPPA) has been set up vide Government Resolution No. F. 33/7/97-PI.I dated 29th August, 1997. A transparent criteria for Government regulating span of price control over drugs has been laid down in the 'Modifications in Drug Policy 1986' as announced in September, 1994. The prices, as measured by the Whole-sale Price Index (base 1981-82=100), has inceased by 18.86 per cent in respect of drugs and medicines in 1997-98 over 1994-95 as compared to 20.06 per cent increase for all commodities during the same period.

Mechanism to monitor the quality of Drugs

3369. SHRI KRISHNA KUMAR BIRLA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government are aware that the Indian drug market continues to be flooded with low quality drugs posing serious health problems to the users; and

(b) if so, what is the existing mechanism to monitor the quality of drugs produced by the manufacturers and to check marketing of low quality of drugs in the country?